

BLIND PENSIONS IN PENNSYLVANIA



A Report

of the

JOINT STATE GOVERNMENT COMMISSION

to the

GENERAL ASSEMBLY

of the

COMMONWEALTH OF PENNSYLVANIA

SESSION OF 1951



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The Joint State Government Commission was created by Act of 1937, July 1, P. L. 2460, as amended 1939, June 26, P. L. 1084; 1943, March 8, P. L. 13, as a continuing agency for the development of facts and recommendations on all phases of government for the use of the General Assembly.



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LETTER OF TRANSMITTAL

To the Members of the General Assembly of the Commonwealth of Pennsylvania:

In accordance with the directive of the General Assembly contained in Senate Resolution Serial No. 40 and House of Representatives Concurrent Resolution No. 74, Session of 1949, the Joint State Government Commission has made a study of the administration and financing of public assistance in the Commonwealth, and presents herewith its report on that phase of the study dealing with aid to the blind.

A subcommittee to assist in the study was appointed by the Commission under authority of Act of 1943, March 8, P. L. 13, Section 1. On behalf of the Commission, the cooperation of the subcommittee is gratefully acknowledged.

BAKER ROYER, *Chairman.*

*Joint State Government Commission
Capitol Building
Harrisburg, Pennsylvania*

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Section I

THE LEGISLATIVE HISTORY OF BLIND PENSIONS

A. *State and Federal Legislation Relating to Payments to the Blind—*

Prior to 1933, the Pennsylvania Constitution did not permit legislative appropriations for blind pensions. In November of that year, Article III, Section 18, of the Constitution was amended to read: "No appropriation, except for pensions or gratuities for military service *and to blind persons twenty-one years of age and upwards*, shall be made for charitable, industrial, or benevolent purposes to any person or community nor to any denominational or sectarian institution, corporation or association." (Italics supplied to indicate material added by amendment.)

In 1934, the General Assembly passed the first blind pension act,¹ providing a pension for an applicant who:

- (1) had attained the age of 21 years and upwards;
- (2) resided in the Commonwealth and had resided there continuously for at least ten years immediately preceding the date of application;
- (3) was not at the time of application an inmate of any prison, jail, workhouse, insane asylum, or public reform or correctional institution;²
- (4) was not at the date of making application suffering from a mental or physical infirmity which in itself

¹ 1934, January 17, P. L. 246 (Sp. Ses. 1933-1934).

² In the case of *Behr, to use, v. Russell, Secretary of the Department of Public Assistance*, (38 D. & C. 177, [1940], Dauphin County), the court held that this exclusion did not apply to public institutions maintained by a county institution district.

would make the applicant a charge upon any other institution or agency of the Commonwealth and which had so incapacitated him prior to the loss of sight that such person was a public charge prior thereto;

- (5) had not sufficient means to enable the applicant to maintain himself and was incapable of or lacking the opportunity of self-support, and
- (6) had less than 3/60th or 10/200th normal vision and by reason thereof was unable to earn a livelihood except through special training and in occupations which could successfully be carried on by blind persons.

The Act of 1935, July 9, P. L. 621, removed the requirement of a means test and reduced the residence requirement from ten to five years. This act provided that

" . . . every blind person . . . shall be entitled to receive from the Commonwealth a pension of thirty dollars (\$30) per month: Provided, That any blind person with an actual income of twelve hundred dollars (\$1,200), or upwards, and any blind person having real property with an assessed valuation of over five thousand dollars (\$5,000) is not entitled to such pension: And provided further, That where a blind person has an income of less than twelve hundred dollars (\$1,200) per year the pension shall be fixed in such amount so that the combined income and pension shall not exceed twelve hundred dollars (\$1,200) a year."

The Act of 1935 also revised the definition of blindness to read, ". . . has 3/60th or 10/200th, or less, normal vision."

In August, 1935, the federal Social Security Act was passed. Title X of that act, as interpreted by the Social Security Board, provided for federal participation in state payments to the needy blind on the condition that a state

agency, when determining eligibility, must give uniform consideration to both the needs and resources of an applicant. Under the act, the federal government participates in grants to the needy blind up to \$50 per month by contributing three-fourths of the first \$20 of the average monthly payment and one-half of the remainder.

Beginning in February, 1936, the Commonwealth received provisional federal grants-in-aid for its blind pension program. It was expected that Pennsylvania would revise its statutes to comply with provisions of Title X of the Social Security Act. However, the 1937 Session of the General Assembly enacted the "Public Assistance Law"³ which included the major provisions of the Blind Pension Act of 1935. Federal participation was withdrawn in January, 1938, on the ground that the magnitude of the pension was not related to the needs of recipients as required by statute.⁴

In 1945, the maximum pension was increased from \$30 to \$40 per month, and the residence requirement was reduced from five years to one year.⁵

In 1947, the income ceiling was raised to \$1,596 per year.⁶

Since 1939, the Department of Public Assistance has attempted unsuccessfully to obtain federal participation in the Pennsylvania blind pension program. In December, 1948, the Department proposed to establish an aid-to-the-blind program in addition to the blind pension program. This proposal was rejected by the Social Security Administration as being contrary to the equality provisions of federal social security legislation.

³ 1937, June 24, P. L. 2051.

⁴ *Origin and Development of Public Assistance in Pennsylvania*, Commonwealth of Pennsylvania, Department of Public Assistance, December 1, 1946, p. 15.

⁵ 1945, May 31, P. L. 1205; 1945, May 1, P. L. 370.

⁶ 1947, July 8, P. L. 1448.

It has been estimated by the Department of Public Assistance that the Commonwealth, from 1938 to 1948, lost federal participation in the amount of \$30,335,000. The current rate of loss is about \$9,000,000 per biennium.

In this connection, it may be noted that only two other states, Missouri and Nevada, have blind aid programs which do not comply with the provisions of Title X of the federal Social Security Act.

B. *The Social Security Act Amendments of 1950—*

The amendments to the Social Security Act passed in August, 1950, contain several provisions which modify the equality requirements contained in Section 1002, Title X of the act.

Under the 1950 amendments, the Social Security Administrator is authorized to approve a state plan for aid to the blind which does not meet the requirements of equality, provided it meets all other federal requirements. This provision is operative until June 30, 1955. The amendment reads:

- “(a) In the case of any State . . . which did not have on January 1, 1949, a State plan for aid to the blind approved under title X of the Social Security Act, the Administrator shall approve a plan of such State for aid to the blind for the purposes of such title X, even though it does not meet the requirements of clause (8) of section 1002 (a) of the Social Security Act, if it meets all other requirements of such title X for an approved plan for aid to the blind; but payments under section 1003 of the Social Security Act shall be made, in the case of any such plan, only with respect to expenditures thereunder which would be included as expenditures for the purposes of such section under a plan approved under such title X without regard to the provisions of this section.

“(b) The provisions of subsection (a) shall be effective only for the period beginning October 1, 1950, and ending June 30, 1955.”⁷

In addition, the 1950 amendments provide that, effective October 1, 1950, and continuing to June 30, 1952, a state blind aid plan *may* disregard \$50 per month of *earned* income. Beginning July 1, 1952, this amount of *earned* income *must* be disregarded for a plan to meet continued federal approval.

C. *Property Limitations of Pennsylvania's Blind Pension Act*—

As noted previously, a blind person in Pennsylvania is ineligible for a blind pension if he receives an annual income in excess of \$1,596 or owns real property with an assessed valuation of more than \$5,000.

In 1936, the Department of Justice advised the Department of Welfare, which at that time administered blind pensions, that “it was the intention of the legislature to declare ineligible any person who owned property either real, personal, or mixed of the unencumbered value of \$5,000 or over.” Until 1949, the law was administered in accordance with the advice of the Department of Justice.

However, recent court decisions have reversed the interpretation of the Department of Justice. In the case of the *Commonwealth v. Hicks*, Common Pleas Court of Blair County, October Term, 1948, No. 239, the court ruled that when the legislature used the term “real property,” it impliedly excluded any other kind of property. On June 26, 1950, the Supreme Court of Pennsylvania affirmed the decision of the lower court (365 Pa. 153 [1950]).

⁷ Sec. 344, Public Law 734, Eighty-first Congress, Chapter 809, Second Session.

Section II

A COMPARISON OF BLIND AID IN PENNSYLVANIA AND SELECTED STATES, AND CHARACTERISTICS OF PENNSYLVANIA'S BLIND PENSION RECIPIENTS

A. *Grants to the Blind—Pennsylvania and Other States—*

For the calendar year 1949, Pennsylvania's blind pension payments totalled \$7,300,000, distributed among some 15,000 pensioners. The cost of the blind aid program to Pennsylvanians, on a per capita basis, amounted to \$.70, as compared with a national average of \$.32.

Table I, page 8, shows the number of blind aid recipients, the number of blind aid recipients per 100,000 population, and the average payment per recipient for selected states and the nation as a whole.

Examination of Table I, Column (4), shows that the average monthly blind payment in Pennsylvania was \$39.87, whereas for the nation as a whole the average payment per recipient amounted to \$46.20.

Again, examination of Column (3) shows that whereas the recipient rate per 100,000 population was 61.5 for the nation as a whole, the recipient rate for Pennsylvania was 148.1. In other words, whereas the average payment in Pennsylvania was below the national average, the recipient rate was considerably in excess of the national average. In fact, for the year under review, the recipient rate for Pennsylvania was the highest among the forty-eight states.

Table I

Number of Blind Aid Recipients, Number of Blind Aid Recipients per 100,000 Population and Average Payment Per Recipient—United States and Selected States, December, 1949

	<i>Number of Blind Aid Recipients</i>	<i>Recipient Rate per 100,000 Population</i>	<i>Average Payment Per Recipient</i>
(1)	(2)	(3)	(4)
United States	92,655	61.5	\$46.20
Pennsylvania	15,551	148.1	39.87
Missouri	2,824	71.4	40.00
Nevada	31	19.4	54.32
New York	3,900	26.3	60.71
New Jersey	706	14.6	54.78
Delaware	157	49.4	40.32
Maryland	473	20.2	40.85
West Virginia	956	47.7	30.97
Ohio	3,748	47.2	44.90
Illinois	4,542	52.1	46.74
California	9,840	93.0	82.70

SOURCE: *Social Security Bulletin*, Volume 13, No. 9, September, 1950, U. S. Bureau of the Census, 1950 Census of Population, Advance Reports, Series PC-9, No. 1, November 5, 1950.

Geographic factors aside, variations in the relative number of blind persons receiving aid in the different states are due to differences in definitions of eligibility and efficiency of administration.

As regards the geographic factor, the available evidence suggests that the frequency rate of blindness for Pennsylvania does not differ materially from the comparable rate for the nation as a whole. For example, in 1940, Pennsyl-

vania had an estimated 1.51 blind persons per 1,000 population as compared with a national average of 1.75.

As regards definitions of eligibility, it may be noted that Pennsylvania's definition of blindness for blind pension purposes is more restrictive than that of other states.⁸ Pennsylvania's restrictive definition, other factors being the same, should be reflected in a low recipient rate. However, in Pennsylvania the provisions of the *support laws* do not apply to the blind, whereas most other states apply relative support provisions in the case of blind persons. It is reasonable to assume that exemption from the *support laws* tends to increase Pennsylvania's blind pension recipient rate.

The evidence concerning the efficiency with which the Pennsylvania program is administered, though not conclusive, suggests that some recipients would not receive pensions by a more rigorous application of legislative standards.

Again, it may be noted that the Auditor General, when making eligibility examinations, postaudits the cases of but "a few" blind pension recipients. As far as can be ascertained the sample of cases postaudited is less than one per cent of the total cases.

B. *Characteristics of Pennsylvania's Blind Pension Recipients—*

With a view of facilitating the appraisal of Pennsylvania's blind pension program, a comprehensive survey of the characteristics of the Commonwealth's pensioners has been made.

The remainder of the present section comprises the principal findings of the survey with respect to living arrangements, income and property of blind pension recipients.

⁸ In virtually all other states, payments are limited to persons with 20/200 central visual acuity or less in the better eye with correction, or comparable visual field defect.

1. Living Arrangements—

It appears that the living arrangements of blind pension recipients are significant in connection with an appraisal of the present program, because, in contrast with grants to assistance recipients, blind pensions are in no way affected by the *support laws*. There seems to be no explicit statutory suspension of the *support laws* in the case of the blind, but the Department of Justice has consistently ruled that the term "indigent persons," as used in this law does not include blind pension recipients.⁹

Again, from time to time, blind assistance programs have been proposed for Pennsylvania, and a major provision of

⁹ For example, see Letter of Advice dated November 2, 1938, to The Honorable Arthur W. Howe, Jr., Secretary of Public Assistance, signed by J. P. Wanner, Deputy Attorney General.

Table II
Number and Percentage Distribution of Pennsylvania
Blind Pension Recipients by Living Arrangement,
April, 1950

<i>Living Arrangement</i>	<i>Number</i>	<i>Percentage</i>
(1)	(2)	(3)
Living in Household Group with Relatives Designated in Support Laws	9,989	65.35%
Living in Household Groups with Friends and Relatives other than Those Designated in Support Laws	2,579	16.87
Living Alone	1,390	9.09
Living in Public Institution	589	3.85
Living in Private Institutions	537	3.51
Living as a Roomer and/or Boarder	203	1.33
TOTAL	15,287	100.00%

such plans has been extension of the *support laws* to cover the needy blind.

Table II shows the number and percentage distribution of all blind pension recipients in Pennsylvania by living arrangement.

Of the total blind pension recipients, 1,942, or 12.7%, have relatives designated in the *support laws* who are receiving some type of public assistance. In about three-fourths of these cases, the blind pension recipient is living with such relatives. The proportion of recipients having relatives designated in the *support laws* who are receiving some type of assistance, shows wide variation among the counties. The range is from 4.4% in Montgomery County to 31.6% in Huntingdon County.

2. Property—

It will be remembered that at present, while there is a \$5,000 assessed value limitation on real property, there is no limitation on the amount of other types of property which may be owned by blind pension recipients.

Table III, page 12, shows the number of Pennsylvania blind pension recipients owning property and the average value of the property owned, by the major type of property.

Inspection of Table III shows that about half (52.2%) of the blind pension recipients owned property of some type. The average value of the property owned is \$977. Five hundred and twenty-seven recipients have property valued at \$3,000 or more. Eighteen recipients have property valued in excess of \$5,000.

Intercounty variations as regards ownership of property are pronounced. The proportion of blind pension recipients owning property ranges from 76.1% in Carbon County to 31.6% in Franklin County. Other counties with a relatively

Table III
Number of Blind Pension Recipients and Average Value
of Property Owned by Major Type of Property,
April, 1950

<i>Types of Property</i>	<i>Number of Recipients Owning Property</i>	<i>Average Value of Property^a Owned</i>	<i>Number of Recipients with Property Valued at \$3,000 or More</i>
(1)	(2)	(3)	(4)
Stocks, Bonds and Other Intangible Property	337	\$1,651	71
Resident Real Estate	2,412	1,371	200
Currency and Bank Accounts	1,650	1,340	196
Nonresident Real Estate	328	1,335	35
Cash Value of Insurance	3,248	395	25
No Property	7,312		...
TOTAL	15,287	\$977	527

^a It should be noted that except for real estate, "value" is the equivalent of "market value"; in the case of real estate, "value" is the equivalent of "assessed valuation."

high proportion of property owners among blind pension recipients include: Montgomery, 75.5%; York, 73.8%; Lehigh, 73.2%; and Pike, 72.7%. Counties with a relatively low proportion of property owners among blind pension recipients include: Greene, 32.4%; Susquehanna, 34.8%; Forest, 36.8%; Mercer, 38.3%; Clarion, 38.8%; Somerset, 39.9%; and Perry, 40.0%.

As regards intercounty variations in the average value of property owned, the range is from about \$560 in Centre and Perry counties to almost \$2,000 in Sullivan and Cameron counties. These examples show the entire range. The great majority of counties are relatively close to the state-wide

average of \$977. Only seven counties show an average value of less than \$600, while nine show an average value greater than \$1,200.

3. Income—

Under existing standards, blind pension recipients with an income not exceeding \$1,116 per year receive the maximum blind pension of \$40 per month. In the case of recipients whose income is more than \$1,116 per year, the annual pension is reduced by one dollar for every dollar of annual income in excess of \$1,116. When the annual income approaches \$1,596, the pension ceases. Departmental regulations call for the establishment of a "fiscal year" for each pensioner beginning with the date of the first pension payment. Income is estimated for this twelve-month period. The monthly pension amount is determined on the basis of the average monthly expected income. During the course

Table IV

Number of Blind Pension Recipients and Average Amount of Estimated Annual Income by Major Source of Income—1949-1950

<i>Major Source of Income</i>	<i>Number</i>	<i>Average Amount of Income</i>
No Income	10,302	
Cash Earnings	883	\$539
Cash Equivalent of Maintenance Earnings ..	26	362
Earnings from Own Enterprise	259	395
Real Property	570	285
Personal Property	298	128
Pensions, Compensations, and Trust Funds .	1,785	468
Contributions	329	337
Other	835	281
TOTAL	15,287	\$395

of the fiscal year, the pension is adjusted or discontinued if the actual income differs from the estimated amount.

Table IV, page 13, shows the number of pensioners and average amount of estimated annual income by major source.

Inspection of Table IV shows that 10,302, or about two-thirds of blind pension recipients, were expected to receive no income during their respective fiscal years. For the 4,985 recipients who have an estimated income, the average amount is \$395 per year.

The income distribution for blind pension recipients is shown in Table V.

Table V

**Number of Blind Pension Recipients in Pennsylvania by
Estimated Annual Net Income—1949-1951**

<i>Estimated Annual Income</i>	<i>Number of Recipients</i>
(1)	(2)
0	10,302
\$1- 99	891
100- 199	853
200- 299	790
300- 399	573
400- 499	371
500- 599	274
600- 699	273
700- 799	305
800- 899	184
900- 999	159
1,000-1,099	151
1,100-1,116	25
Over 1,116	136
TOTAL	15,287

Section III

ALTERNATIVE BLIND AID PLANS AND FEDERAL PARTICIPATION

A. *Types of Plans*—

Two basically different plans may be used to aid the blind or, for that matter, any group or groups of handicapped persons.

Under the so-called *budget plans*, eligibility for aid as well as magnitude of grant, if any, is established by computing the difference between a person's *needs* and a person's *income*. If the difference, "needs minus income," is zero or negative, the applicant is not eligible for a grant. If the difference is positive, the applicant is eligible and the difference is the amount of the grant. Under *budget plans* it is necessary to determine the income and needs of every applicant. In Pennsylvania, a *budget plan* is used in connection with the administration of all assistance programs.

Under the so-called *pension plans*, eligibility for aid, as well as magnitude of grant or pension, if any, is established by subtracting from the "maximum grant" or pension, all income in excess of exempt income. If the maximum grant minus the income in excess of exempt income equals zero, or is negative, the applicant is not eligible for a pension. In all other cases, provided other eligibility conditions are satisfied, the applicant is eligible and the difference between the maximum grant and the income in excess of exempt income equals the pension.

In Pennsylvania, aid to the blind is made available on the basis of a *pension plan*.

There is nothing in the structure of either plan that in any way predetermines the magnitude of payments to recipients or the number of participants.

Both magnitude of payments to recipients and the number of participants are determined by the detailed specifications which may be written into either plan. For example, under both plans it is possible to include or exclude support by relatives. The limit on such assets as personal and real property may be set at any desired level. Again, under *budget plans* need may be defined in a manner that will produce average payments which are greater than average payments under *pension plans*.

There are but two basic differences between the two plans:

- (1) The administration of *pension plans* requires but an investigation of an applicant's resources, whereas administration of *budget plans* requires an investigation of both resources and needs.
- (2) Under *budget plans* similarly circumstanced persons are always treated similarly.

B. Dual Programs—

1. Budget Grants and Pensions, with Elective Option—

There is reason to believe that under the 1950 amendments to the Social Security Act, some federal participation could be obtained if the Department of Public Assistance evolved a combination program which established a budget plan for the needy blind and retained the present pension plan for those blind persons who could not qualify for aid under a budget plan.

Under such a program, the blind individual might be given the option to elect either the budget or the pension plan.

Evaluation of the pertinent data discloses that *under existing assistance standards there is no inducement for blind pension recipients to transfer to a blind assistance program.* At present, any blind individual is free to choose general assistance if he wishes to take advantage of this plan. However, the number of blind persons receiving general assistance is inconsequential. Assuming that 3,000 pensioners would transfer to the budget or assistance plan, the total federal contribution would not exceed \$1,000,000 per year.

In passing, it may be noted that the establishment of a dual program does not require legislative action.

2. Flat Grants and Pensions, with Elective Option—

Again, there is reason to believe that the Social Security Administrator would approve and financially participate in a modified dual budget-pension program which would provide for a flat grant and a pension. Such a program, in essence, would guarantee every blind person a legislatively-stipulated standard of living, defined in terms of a specified sum of money per year or per month.

The basic difference between this approach¹⁰ and the dual program previously discussed resides in the fact that the device of the flat grant, from which specified resources would be deducted, as under other budget plans, makes it possible to offer the blind a financial inducement to elect a plan for which federal financial participation is available.

Such a program might take the following form: Exclude, as at present, all blind persons from the provisions of the *support laws*. Retain all present provisions of the blind pension statute, including the proviso calling for a maximum

¹⁰ Senate Bill No. 974, Session of 1949, adopted this approach. The bill passed the Senate on third reading, but was not reported from the Committee on Welfare of the House.

payment of \$40 per month. Provide for a flat budget grant of, say, \$50 per month and deduct from this amount both *earned income in excess of \$50 per month*, whether paid in cash or in kind and *all unearned cash income*. Allow the blind to elect either the budget plan or the pension plan.

On the assumption that a blind person will select the plan which will give him the larger dollar amount, about 12,490 persons will select the budget plan, and 2,797 will prefer the pension plan. The annual cost of the two plans constituting the dual program would be \$8,800,000, of which \$4,500,000 would be borne by the federal government and \$4,300,000 would be financed by the Commonwealth.

It should be noted that the chief disadvantage of the program as a means of assuring continued *federal* participation stems from the fact that blind persons are permitted to make a selection between plans. The blind may not reasonably be expected to select a plan that will not be advantageous from a pecuniary point of view.

Assuming an increase in the pension from \$40 to \$50, most blind persons would probably select the pension plan. Hence, to assure continuance of most pensioners on the budget plan, the budget grant might have to be increased from \$50 to \$60. Such a move would increase the cost of the program from \$8,800,000 to \$10,000,000, of which sum \$6,130,000 would have to be financed by the Commonwealth.

C. The Present Program and Federal Participation—

The two programs discussed above provide for two plans each and give blind persons the option to select the plan that fits his economic circumstances and his preferences. As above noted, the first program is unlikely to result in conse-

quential federal participation. In the case of the second program, the degree of federal participation depends upon the relationship between the dollar amount of the pension and the dollar amount of the flat budget grant.

It appears that the Social Security Administrator would—at least until June 30, 1955—participate in the financing of part of the cost of Pennsylvania's present blind pension program.

As will be recalled,¹¹ the amendments to the Social Security Act which temporarily modifies the so-called "equality clause," in effect, provides that:

(1) The Administrator *shall* approve a plan although it does not meet the requirements of the equality clause;

(2) Federal participation is available only in the case of payments to *that group of recipients* which meets the requirements of the equality clause.

It appears that federal participation would be available if the Pennsylvania Department of Public Assistance established uniform and reasonable standards for segregation of the blind into two groups: (1) the group that could meet the standards and hence the requirements of the equality clause and thereby become eligible for federal participation; (2) the group that could not meet these standards and whose grants would have to be financed exclusively out of Commonwealth resources.

¹¹ See page 4.

Table VI, below, shows, at different pension levels, the total annual payments to the blind, and the division of cost between the Commonwealth and the federal government.

Table VI

Total Annual Blind Payments and State and Federal Shares at Selected Blind Pension Levels

<i>Monthly Pension</i>	<i>Total Annual Payments</i>	<i>Federal Government Share</i>	<i>State Share</i>
(1)	(2)	(3)	(4)
\$30	\$5,490,000	\$2,578,000	\$2,912,000
35	6,404,000	2,901,000	3,503,000
40	7,319,000	3,223,000	4,096,000
45	8,234,000	3,545,000	4,689,000
50	9,149,000	3,867,000	5,282,000

The table is compiled on the basis of the following conditions, which reflect federally acceptable practices. The Department of Public Assistance will ask and receive federal participation for payments to all blind persons without income or whose earned income per month does not exceed \$50, whose resident real property has an assessed valuation not exceeding \$5,000, whose personal property, other than furnishings and personal belongings does not exceed \$2,000, and who are not inmates of public institutions.

